Rep. Woolsey Sept. 15, 2005 Iraq Hearing
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I'd like to thank the Members for asking CRS to appear at this ad-hoc hearing to provide an assessment of the situation in Iraq and discuss possible options to achieve U.S. goals. I will summarize my written statement.

Senior U.S. officials assert that existing transition plans are proceeding and will accomplish U.S. goals of stability and democracy, and that success in Iraq will promote democratic transformation of the Arab world. The Administration view is that the current U.S. policy course should be maintained. The pillars of current policy are to continue the political transition while building Iraqi security forces that can eventually secure Iraq without outside help. As those policies are being implemented, the Administration is maintaining about 140,000 U.S. forces in Iraq, supported by 23,000 personnel from 29 other countries, to protect the new Iraqi government from the ongoing Sunni Arab-led insurgency.

Administration officials cite the relatively successful January 30, 2005 National Assembly elections and the formation of a government as the strongest indication that the transition roadmap is on track. The elections established a 275-member National Assembly, which in turn chose an executive branch consisting of a President (Jalal Talabani, of the Patriotic Union of Kurdistan), a Prime Minister (Ibrahim al-Jafari of the Shiite Islamist Da'wa Party), two deputy presidents, three deputy prime ministers, and 32 ministers.

The next major steps in the political transition – and which will likely test U.S. policy – are the holding of a national referendum on a draft constitution (by October 15), and the holding of national elections for a permanent government (by December 15, 2005). A draft constitution was declared completed by the Shiite and Kurdish members of the drafting committee on August 28, 2005, after several extensions beyond the August 15 date for its completion, although negotiations of some points continued until September 8. Yet, the substantial involvement of U.S. Ambassador Zalmay Khalilzad in the drafting process did not accomplish the Administration objective of ensuring Sunni Arab satisfaction with the
constitution draft. Sunni negotiators, who did not endorse the draft and wanted to continue negotiating its provisions, claim their views were brushed aside by the dominant Shiite and Kurdish factions. Many Sunni negotiators – although not all– publicly denounced the draft as setting the stage for a de-facto fragmentation of Iraq into ethnic and sectarian-based "regions." Others say it paves the way for a prevalence of Islamic law and practices. On the other hand, Ambassador Khalilzad (in a September 4, 2005 Washington Post editorial entitled "Politics Breaks Out in Iraq") said that the "central achievement" of the drafting process is that "the draft came about through negotiation, not the exercise of violence. In essence, we can say that politics has broken out in Iraq."

I will now review the core pillars of U.S. policy: combating the ongoing insurgency, building up Iraqi security forces, maintaining an international coalition to secure Iraq, searching for political solutions to the insurgency, and addressing economic challenges.

Combating the Insurgency

In a series of speeches on Iraq in late August 2005, President Bush said that U.S. forces must and will remain in Iraq to help Iraqis build a "secure democracy" and defeat the insurgents' "determination to stop democracy from taking root in the Middle East." Administration officials have not said that all insurgent violence must cease before U.S. forces could substantially withdraw – only that Iraqi security forces be capable of combating the violence on their own. However, a growing number of observers assert that even the 140,000 U.S. forces now in Iraq are unable to defeat the insurgency. Several senior U.S. commanders in Iraq – including Brig. Gen. Donald Alston, the chief U.S. military spokesman in Iraq – have asserted that overcoming the insurgency will ultimately require a political, not military, solution.[1]

The resiliency of the insurgency – and the growing perception among many experts and U.S. officials that it cannot be defeated militarily at current U.S. and partner force levels – has presented the Administration with dramatically differing force recommendations: to increase U.S. troops or, alternately, to withdraw U.S. troops. Some believe that the United States should increase its troop strength in Iraq in an all-out effort to defeat the insurgents. Those who take this view maintain that additional U.S. troops would allow the United States to conduct multiple counter-insurgency operations simultaneously and prevent insurgents from re-infiltrating cities from which they have been expelled. Senator McCain said in August 2005 that the Administration should deploy perhaps 20,000 additional troops to help secure Iraq; some outside experts have quoted figures as high as 100,000 additional.[2] Some experts oppose this recommendation on the grounds that troop level increases would aggravate Sunni Arabs already resentful of the U.S. intervention in Iraq and that even many more U.S. troops would not necessarily produce stability. Others believe that increasing U.S. force levels would further the impression in Iraq that the Iraqi government is beholden to the United States for its survival, and that the United States is continuing to deepen its commitment to Iraq without a clear exit strategy or victory plan.

The opposite view is that the United States should begin to withdraw its forces from Iraq. Some who take this position maintain that it is the continued large U.S. presence in Iraq that is sustaining the insurgency, and that a withdrawal would deprive insurgents of a pretext to continue fighting Iraqi government forces. Still others tend to argue that the United States should withdraw its forces because the decision to invade Iraq was a mistake in light of the failure thus far to locate weapons of mass destruction (WMD) in Iraq or to find clear evidence of operational links between Al Qaeda and Saddam Hussein's regime. Critics of this view, including Administration officials, say the Iraqi government might collapse if U.S. forces were to leave before the ISF are able to secure Iraq. A collapse of the new government would, according to this view, harm U.S. credibility internationally and permit Iraq to become a haven for terrorists.

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[1] Many Say Only Political Solution Possible in Iraq. *Detroit Free Press*, June 13, 2005.
[2] Bersia, John. The Courage Needed to Win the War. *Philadelphia Inquirer*, August 9, 2005.

Some argue that U.S. forces in Iraq should focus not on combating the insurgency directly, but on helping combat crime and other violence that make Iraqis feel insecure. According to this view, crime and overall lawlessness is having a greater adverse affect on public opinion in Iraq and on the perceptions of the Iraqi government than is the insurgency.[3]

Building Iraqi Security Forces (ISF)4

A cornerstone of current U.S. policy is to equip and train Iraqi security forces (ISF). President Bush stated in a June 28, 2005 speech, "Our strategy can be summed up this way: As the Iraqis stand up, we will stand down."[5] The Department of Defense reports that, as of September 7, 2005, there are 189,500 total members of the ISF — 75,729 "operational" military personnel under Iraq's Ministry of Defense and 94,083 police/lighter personnel "trained and equipped" under the Ministry of Interior.[6] The total force is on pace to meet the 271,000 goal set for July 2006.

After the January 30 elections, senior U.S. military leaders praised the performance and tenacity of the ISF, noting that, on election day, some ISF put their lives on the line to protect voters and polling stations. U.S. commanders say ISF units are gaining in confidence and proficiency, and responsibility for security in areas of Baghdad and other cities has been turned over to the ISF. For example, in early September 2005, U.S. forces turned over control of the Shiite holy city of Najaf to ISF control.

At the same time, in recent hearings and statements, some Members of Congress who have visited Iraq said in June 2005 that they were told that only about 5,000 - 10,000 ISF are capable of independent counter-insurgency operations.[7] Senior U.S. military personnel said in June 2005 that about 40,000 were operational, but required U.S. support. The remaining ISF were still being formed into units. In addition, the police-related component of the ISF totals include possibly tens of thousands (according to the GAO on March 15, 2005) who are absent-without-leave and might have deserted. Some U.S. commanders say that the ISF continue to lack an effective command structure or independent initiative; that ISF forces often fail or refuse on their own to forcefully combat the insurgency; and a State Department and Defense Department inspectors general report released on July 15, 2005 said that the ISF are penetrated by insurgents.

As a result of the deficiencies of the ISF, in 2005 the U.S. military began adopting plans, reportedly based on a January 2005 review conducted by retired Gen. Gary Luck, to shift U.S. forces in Iraq from patrolling to training and embedding with Iraqi units. Under the shift, the U.S. military is increasingly turning over patrol operations to Iraqi units that are stiffened and advised by teams of ten U.S. military personnel. A total of about $5 billion in FY2004 funds was allocated to build (train, equip, provide facilities

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[3] Pollack, Kenneth. Five Ways to Win Back Iraq. *New York Times*, July 1, 2005.

[4] For additional information, see CRS Report RS22093. *Iraq's New Security Forces: the Challenge of Sectarian and Ethnic Influences.*

[5] For text, see: http://www.whitehouse.gov/news.releases/2005/06/print/20050628-7.html

[6] Iraq Weekly Status Report. Provided by the Department of State, incorporating information from the Department of Defense. September 7, 2005.

[7] House Armed Services Committee Hearing on Iraqi Security Forces. June 23, 2005. Federal News Service.

for, and in some cases provide pay for) the ISF, and a FY2005 supplemental appropriation provides another $5.7 billion for this purpose.

Another security challenge is the proliferation and growing power of party-based or other militia forces that remain outside the ISF. Some argue that these forces – such as the Shiite Islamist Badr Brigades[8] (the militia of the Supreme Council of the Islamic Revolution in Iraq, SCIRI, a key Shiite party) and the Kurdish "peshmerga" – are highly motivated and should be further built up and empowered. The United States has allowed these militias to operate independently, and these forces conduct policing in cities in which their parties are strong. Critics of this strategy worry that unofficial militia forces have the potential to stoke ethnic and sectarian warfare; some Badr Brigade forces have been accused of retaliating against Sunni Arabs citizens and clerics who are suspected of supporting the insurgency. Another SCIRI-linked militia is called the "Wolf Brigade," reportedly commanded by a SCIRI member. Even though the Wolf Brigade has been formally recognized by U.S. and Iraqi authorities and is reporting to Iraq's Defense Ministry, it too has been cited by Sunni Arabs as singling members of that community out for arrest and retribution. The *New York Times* reported on June 16, 2005 that Kurdish security elements have been imprisoning Arab suspected insurgents in the Kurdish area, in contravention of Iraqi law, although about 150 of them were released in September 2005.

Maintaining the Coalition[9]

Some believe that a major emerging challenge is the shrinkage of the international coalition that is helping the United States to secure Iraq. The Administration asserts that the United States still has a substantial coalition on Iraq, pointing to the fact that 29 other countries are providing 23,000 forces. However, major potential force donors such as France and Germany have refused to contribute peacekeeping forces, and several large force contributors are in the process of departing. Significant withdrawals began in May 2004 when Spain decided to pull its 1,300 troops out of Iraq following the March 11, 2004 Madrid terrorist bombings and subsequent defeat of the former Spanish government that had supported the war effort. Several large contingents, including from Poland (1,700), Italy (3,000) and Ukraine (1,600) are planning to withdraw by the end of 2005, and some press reports in July 2005 said that British military officials are planning to draw down 3,000 of the 8,500 British forces in Iraq and send those personnel to the peacekeeping mission in Afghanistan. In August 2005, Bulgaria began preparations to withdraw its 400-person contingent. It will likely be difficult to recruit new major force donations to replace the departing forces because international support for sustaining forces in Iraq appears to be waning, not growing.

One major issue in the debate over securing Iraq is the possibility of greater NATO involvement, and there has been some movement in that direction since the January 30 Iraqi election. At the June 2004 NATO summit in Istanbul, NATO agreed to help train the ISF through a NATO Training Mission-Iraq. That mission is to have 350 trainers at a

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[8] After the fall of Saddam Hussein, the group changed its name to "Badr Organization" in an attempt to appear as a purely civilian institution.

[9] For additional information on international contributions to Iraq peacekeeping and reconstruction, see CRS Report RL32105, *Post-War Iraq: A Table and Chronology of Foreign Contributions*.

facility near Baghdad (Rustamiya); NATO is in the process of staffing up to that level, and currently there are 151 trainers there, according to NATO representatives in Baghdad . In conjunction with President Bush's visit to Europe in February 2005, NATO announced that all 26 of its members would contribute to training Iraqi security forces, either in Iraq, outside Iraq, through financial contributions, or donations of equipment. It should be noted, however, that the focus of NATO involvement concerns training Iraqi forces, not contributing forces to maintain security.

Political Settlement Challenges

The Administration and its critics appear to agree that the insurgency will ultimately be defeated only through a political settlement among Iraq's major communities, and that a settlement could be achieved if the dominant Shiite Islamist and Kurdish factions in Iraq's new government cede more power to Sunni Arabs. The Administration points to some progress in this direction – first the addition in July 2005 of 15 Sunni Arabs to the committee that drafted the permanent constitution, and then the negotiating process that led to the final draft. The Administration maintains that some Sunni negotiators denounced the draft constitution because they were coerced to do so by threat of insurgent violence.

On the other hand, insurgent violence did not stop, or even diminish, during the constitutional draft negotiations. Two Sunni drafting committee members were killed by insurgents because of their participation. After the draft was declared final by the Shiite and Kurdish drafters on August 28, 2005, Sunni demonstrations against the draft broke out in several cities, including Tikrit, Baqubah, and Ramadi. Sunni leaders began organizing to try to vote it down, and press reports say that Sunnis are registering in large numbers (as high as 85% of eligible voters in some areas) to try to defeat the constitution. Should the Sunnis try but fail to vote the constitution down (by a two-thirds vote in three provinces), some experts maintain that many Sunnis will feel even more disenfranchised than they are now, and support for the insurgents might actually increase.

Altering the Political Structure/Transition Roadmap. Some believe that only a major adjustment to the post-Saddam political structure would satisfy the Sunni Arabs. Many Sunnis believe that the transition roadmap currently being followed ensures the domination of the Shiites and Kurds, to the detriment of the Sunnis. However, there is little agreement on how the transition roadmap could be altered to satisfy the Sunnis; many experts believe that the Sunnis would only be satisfied with their return to rulership of Iraq. Others, including Administration officials, argue that the Sunnis are largely responsible for their own predicament because they largely boycotted the January 2005 election, ensuring their under-representation and limited role in drafting the constitution.

Apparently recognizing the need to address Sunni fears and disappointment, in June 2005, Grand Ayatollah Ali al-Sistani, the most revered Shiite religious figure in Iraq, and who has played a role in shaping the post-Saddam political structure, reportedly advanced a plan to change the voting system in future elections so as to yield greater Sunni Arab representation in the next government. According to the reported Sistani suggestion, future elections would be conducted on a district basis (voters would cast ballots for candidates in each district in which they live) rather than the "proportional representation" system used in the January 30 election. That system favored the Shiite and Kurdish parties because there was only one ballot nationwide. Sunni parties were

disadvantaged by the low Sunni Arab turnout caused by insecurity in the Sunni areas and a wide Sunni boycott of the election. A district-based system would enable Sunni Arabs to achieve representation in a new political structure that is proportional to the community's population in Iraq, because it is likely that Sunni Arabs would be elected from Sunni Arab-inhabited districts, no matter how light the election turnout in the Sunni areas. The draft constitution leaves it to subsequent law to determine the electoral system, so it is not clear at this point whether or not Sistani's proposal will be adopted. The Kurds strongly oppose the proposal because the current proportional representation system enabled the Kurds to achieve a disproportionately high representation in the National Assembly (about 27% of the seats, compared to a Kurdish population of about 15%-20%).

Negotiating With Insurgents. The Administration appears to have adopted at least one recommendation of some of its critics - that there should be negotiations with Sunni figures representing the insurgency. Secretary of Defense Rumsfeld told journalists in late June 2005 that such discussions have been taking place, although press reports say those talks have not been conducted directly with insurgent groups and have not resulted in any insurgents laying down their arms, to date. It is not

Federalizing Iraq. Some believe that the three major communities - Sunni Arabs, Shiite Arabs, and Kurds (who are mostly Sunni Muslims, but are not Arabs) – will not be able to agree to share power in a post-Saddam Iraq and that the country should be partitioned de-facto or de-jure. Most experts believe that an actual partition into three separate countries would be extremely difficult because none of the resulting three entities could likely stand alone. On the other hand, some experts believe the three communities could reach an agreement that would provide each with a substantial amount of autonomy within an existing and integral Iraq (federalism). Others note the Kurds have already achieved a large degree of the federalism they have sought – interpreted to mean that the Kurds would enjoy at least as much autonomy as they enjoyed during 1991-2003, when a U.S.-led military overflight regime kept Iraqi government forces out of northern Iraq.

Many experts believe that accelerating economic reconstruction would contribute to stability by creating employment and fostering the impression that the Iraqi government is able to improve the lives of Iraqis. The Administration agrees on the need to accelerate economic reconstruction, but acknowledges that the difficult security environment – and not a lack of available funds – has slowed the process. As discussed below, funds from Iraqi oil revenues and international donors are relatively plentiful. Administration reports to Congress on reconstruction, such as those referenced below, indicate that economic reconstruction is proceeding most quickly in the relatively stable Shiite and Kurdish-inhabited areas, but much more slowly in the restive Sunni Arab-inhabited regions. In those regions, reconstruction is often interrupted by sabotage. Even though it agrees that the pace of reconstruction should be increased, the Administration asserts that, despite the ongoing insurgency, Iraq's economy is improving, and that many Iraqis are demonstrating their confidence by buying consumer goods such as appliances and cars.

There are several sectors that demonstrate ongoing difficulties. Electricity was below pre-war levels in late 2004 and early 2005, but now exceeds pre-war levels (107,000 MWh). Still, and in part because electricity demands have risen as Iraqis have

purchased new appliances since the fall of Saddam, Baghdad has only about eight hours of power per day, according to the State Department's weekly report for September 7, although the national average is about 12 hours per day, according to the report. Sanitation, health care, and education have improved statistically, although some recent studies say that Iraq's health care system and some health indicators are in a state of crisis.[10] Sewage systems are being rebuilt or even newly constructed, for example in the "Sadr City" district of Baghdad where radical Shiite cleric Moqtada Al Sadr has a large following. On the other hand, over the past two months, insurgents have targeted important water installations, sometimes cutting parts of Baghdad off from water for days at a time.

Unemployment is a continuing barrier to political stability. High unemployment – pegged by the Iraqi government and the United Nations at 27% but probably closer to 50%,[11] according to observers – could also be feeding the insurgency by creating a pool of available recruits. In September 2004, State Department officials say they decided to shift focus to smaller scale projects that can quickly employ Iraqis and yield concrete benefits.

The Oil Industry. The oil sector, the engine of Iraq's economy, does not appear to be the source of the slow pace of reconstruction. Insurgent attacks and the lack of security to conduct repairs have kept Iraqi oil exports about 33% below what they were prior to the war, as shown in the table below, but that volume shortfall has been more than offset financially by a 60% rise in oil prices over the past year. On the other hand, insurgents have targeted pipelines leading to Iraqi refineries, creating shortages in supplies of gasoline and long gas lines in Baghdad.

Iraq's Oil Sector

Oil Production (August 2005)	Oil Production (pre-war)	Oil Exports (August 2005)	Oil Exports (pre-war)	Oil Revenue (2004)	Oil Revenue (2005 to date)
2.06 million barrels per day (mbd)	2.5 mbd	1.25 mbd	2.2 mbd	$17 billion	$15.9 billion

Note: Oil export revenue is net of a 5% deduction for reparations to the victims of the 1990 Iraqi invasion and occupation of Kuwait, as provided for in U.N. Security Council Resolution 1483 (May 22, 2003). That 5% deduction is paid into a U.N. escrow account controlled by the U.N. Compensation Commission to pay judgments awarded. Source: U.S. Department of State. Iraq Weekly Status Report. September 7, 2005.

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[10] Vick, Karl. "Children Pay Cost of Iraq's Chaos." *Washington Post*, November 21, 2004.

[11] Finer, Jonathan and Omar Fekeiki. Tackling Another Major Challenge in Iraq: Unemployment. *Washington Post,* June 20, 2005.

U.S. Funding. By most accounts, the slow pace of reconstruction has not been caused by a shortfall in U.S. reconstruction aid available. As of August 31, 2005, of the $21 billion appropriated in the FY2003 and FY2004 reconstruction supplementals,[12] about $16.7 billion has been obligated. Of that, about $10.3 billion has been disbursed, according to State Department figures. The Administration's regular FY2006 foreign aid budget request asked for $360 million in funds for democracy and governance activities in Iraq, plus $26 million to improve the capacity of Iraq's police and justice sector. The House and Senate-passed FY2006 foreign aid appropriations, H.R. 3057, do not provide any funding for Iraq programs on the grounds that ample unspent funds remain from previous appropriations.

Encouraging Cooperation From Iraq's Neighbors

Compounding the security and political challenges facing U.S. policy is the exertion of influence in Iraq by some of Iraq's neighbors. Those neighbors that are of greatest concern to the United States are Iran and Syria, but Turkey and Saudi Arabia are also positioned to exert significant influence that could help or run counter to U.S. policy goals. Some believe that additional U.S., international, or Iraqi forces should be deployed to Iraq's borders to prevent the movement of insurgents and their weapons and explosives into Iraq.

Syria.[13] U.S. concern about Iraq's immediate neighbors centers on Syria. Assessments of Syria's policy on Iraq range from a relatively benign inability to prevent insurgents from crossing its borders, to a more active and deliberate strategy by Syria to contribute to driving U.S. forces out of Iraq. Those who take a more alarmist view of Syria's motives believe that Syria wants to see the United States forced to withdraw from Iraq so that it would lose leverage in the Middle East more broadly, and lose the ability to pressure Syria itself. Press reports have provided numerous accounts of infiltration routes from Syria into Iraq, of insurgent recruiters helping fighters cross the Syria-Iraq border, and of the use of Syria's banks to fund Iraqi insurgent activity. U.S. military commanders have said in recent weeks that several hundred non-Iraqi fighters have come into Iraq over the past few months, and U.S. forces have been combating pockets of foreign fighters (along with Iraqi insurgents) in towns near the Syria-Iraq border (al-Qa'im, al-Husaybah, and Tal Affar, for example). Some believe Syria also attributes growing Syrian Kurdish separatist unrest to the increased political strength of the Kurds in post-Saddam Iraq. Syrian officials also point to the difficulty of policing a 375-mile border with Iraq in sparsely inhabited desert terrain.

U.S. statements and documents reflect a number of views on Syria and Iraq. At a foreign ministerial meeting in London on June 23, 2005, Secretary of State Rice criticized Syria for not fulfilling its promises to prevent the movement of insurgent fighters into Iraq. In June 2005, the Department of the Treasury blocked the U.S.-

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[12] The U.S. funds come from three supplemental appropriations. A FY2003 supplemental, P.L. 108-11, appropriated about $2.5 billion for Iraq reconstruction. A FY2004 supplemental appropriation (P.L. 108-106) provided about $18.7 billion for Iraq reconstruction (not including about $50 billion appropriated for U.S. military costs). The FY2005 supplemental (P.L. 109-13) appropriated the $5.7 billion requested for Iraqi security forces, U.S. Embassy operations, and other functions discussed above.

[13] For more information, see CRS IB92075. Syria: U.S. Relations and Bilateral Issues.

controlled assets (if any exist)[14] of a Syrian-based company and two Syrian officials for allegedly acting on behalf of the former Iraqi regime.[15] On the other hand, the State Department report on terrorism for 2004 (Country Reports on Terrorism 2004, released April 2005) said that Syria, in 2004, "took a number of measures to improve the physical security of the border and establish security cooperation mechanisms [with Iraq]." In addition, as additional evidence of at least some cooperation, Syria reportedly arrested and turned over Saddam Hussein's half brother Sabawi to Iraqi authorities in February 2005, and clashed with suspected Iraqi insurgents near Damascus in July 2005.

Iran.[16] The U.S. military ousting of Saddam Hussein appears to have benefitted Iran strategically. Iran publicly opposed the major U.S. military offensive against Iraq on the grounds that it was not authorized by the United Nations, but many observers believe Iran wanted Saddam Hussein removed, both as a strategic threat as well as to clear the way for Iraq's Shiites to obtain power in Iraq.[17] The main thrust of Iran's strategy in Iraq has been to persuade all Shiite Islamist factions in Iraq – all of which are pro-Iranian, although to varying degrees – to work together to ensure Shiite Muslim dominance of post-Saddam Iraq. That strategy appears to have borne fruit with the victory of a Shiite Islamist bloc ("United Iraqi Alliance") in the January 30, 2005 National Assembly elections in Iraq. That bloc, which won 140 of the 275 Assembly seats, includes all of Iran's proteges in Iraq — the well-organized Shiite Islamist parties that Iran has supported since its 1979 Islamic revolution. The most pro-Iranian of these parties are the Supreme Council for the Islamic Revolution in Iraq (SCIRI), and, to a lesser extent, the Da'wa Party. Iranian leaders have also cultivated ties to Grand Ayatollah Sistani, who is Iranian-born. However, Sistani has differed with Iran's doctrine of direct clerical involvement in government. The leading figures in the Iraqi Shiite bloc have said they will not seek to establish an Iranian-style theocratic regime, although some of them have said Islam should be a major factor in post-Saddam Iraq.

Iran showcased its growing influence in Iraq with a three-day visit (May 17-19, 2005) by Iranian Foreign Minister Kamal Kharrazi. During the visit, he met not only with Prime Minister Jafari but also with Sistani and SCIRI leader Abd al-Aziz al-Hakim. At the end of the visit, the two countries issued a joint communique in which Iraq essentially took responsibility for starting the 1980-1988 Iran-Iraq war and indirectly blamed Saddam Hussein for ordering the use of chemical weapons against Iranian forces during that conflict. The joint statement also condemned Israel and said Iran would open new consulates in Basra and Karbala (two major cities in Iraq's mostly Shiite south). On July 11, 2005, the two countries signed a military cooperation agreement that reportedly upset U.S. officials; a few days later Iraq's defense minister said that the agreement does not include, as reported, a provision for Iran to train Iraqi security forces.

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[14] The assets were blocked under Executive order 13315, which blocks property and interests of senior officials of the former Iraqi regime, and those acting for or on their behalf, within the possession or control of U.S. persons.

[15] U.S. Designates Syrian Nationals, Company as Supporters of Hussein. U.S. Department of the Treasury. June 9, 2005.

[16] For more information, see CRS Report RL32048. Iran: Current Developments and U.S. Policy.

[17] "Iran's Kharrazi Hopes for Shiite Role in Iraq." *Reuters*, April 9, 2003.

Some U.S. officials cite Iran for interference in Iraq beyond political engagement with various Iraqi factions. On September 8, 2004, Secretary of Defense Rumsfeld accused Iran of sending money and fighters to proteges in Iraq,[18] an assertion reiterated by CIA Director Porter Goss in March 17, 2005 testimony before the Senate Armed Services Committee. In August 2005, Secretary Rumsfeld confirmed press reports that U.S. forces had found Iranian-supplied weapons shipments in Iraq. U.S. officials have declined to contradict speculation that Iran is giving some backing (money and possibly arms and tactical military advice) to Shiite cleric Moqtada al-Sadr, whose "Mahdi Army" militia staged two major uprisings against U.S. and Iraqi forces (April and August 2004).[19] Most Iranian officials have sought to persuade Sadr to enter the legitimate political process, but some Iranian hardliners are said to prefer Sadr as a more anti-U.S. Shiite alternative in Iraq.

Saudi Arabia.[20] Many Saudi officials, particularly those who are supportive of strategic ties between the United States and Saudi Arabia, believe that the removal of Saddam Hussein was justified because it eliminated a major strategic threat to the Kingdom. However, not wanting to openly cooperate with a U.S. intervention in an Arab state, Saudi Arabia refused to host the U.S. invasion force against Iraq, although it did provide logistical support and allowed U.S. forces to use some of its command facilities. The fall of Saddam Hussein has enabled the United States to reduce its military presence in Saudi Arabia from about 6,000 involved in Iraq containment operations to the approximately 200 in a mostly advisory contingent there now. This has diminished the resentment that exists among the Kingdom's conservative Islamists, and among many Muslims abroad, about the U.S. presence on what they consider sacred Islamic soil.

On the other hand, Saudi Arabia, which is inhabited largely and governed by Sunni Muslims and which considers itself the guardian of the most holy cities of Islam, fears Shiite Iran. Some Saudi officials believe that the fall of Saddam Hussein, and the ascendancy of Shiite Islamist movements in post-Saddam Iraq, has strengthened Iran's hand in the region. Those Saudi officials who take this view might be sympathetic to the Iraqi insurgency as a potential means of returning Sunni Muslims to power in Iraq and blunting Iranian influence. Other Saudi officials, particularly those in the security apparatus, worry more about "spillover" from the Iraqi insurgency. Spillover refers to the potential for Saudis who have joined the Iraqi insurgency to return to the Kingdom and undertake militant activities against the Saudi government itself. These Saudi officials tend to be critical of the insurgency and argue for enhanced Saudi border security to prevent the crossing of Saudi militants into or out of Iraq. A *New York Times* report of April 23, 2004, quoting Saudi officials, said the Saudi government had installed heat sensors on the border with Iraq to help seal it, although there is still said to be movement of militant Saudis into Iraq, either directly or via other countries.

The Saudi displeasure at the Shiite domination of Iraq's new government is evident in Saudi diplomacy. It has not established official diplomatic relations with post-Saddam

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[18] Scarborough, Rowan. "Rumsfeld: Iran Aids Rebels." *Washington Times*, September 8, 2004.
[19] Wong, Edward. "Iran Is In Strong Position to Steer Iraq's Political Future." *New York Times*, July 3, 2004.
[20] For more information, see CRS IB93113. Saudi Arabia: Current Issues and U.S. Relations.

Iraq to date. In addition, it reportedly has made available a negligible portion of its $1 billion in loans and other credits pledged to post-Saddam Iraq.

Another difficult question is that of unofficial Saudi support to the Iraq insurgency. Some public U.S. assessments say the insurgents - both Iraqi and non-Iraqi – receive funding from wealthy donors in neighboring countries such as Saudi Arabia.[21] In addition, in early 2005, a number of hardline Saudi clerics signed a statement publicly calling on Saudis to support the Iraqi insurgency.

Turkey.[22] Turkey borders those areas of Iraq that are inhabited mostly by Iraq's Kurds, and Turkey has traditionally focused on preventing Iraqi Kurdish independence. Turkey fears that an Iraqi Kurdish independence drive could stimulate similar demands for independence among Turkey's Kurdish minority. Despite that concern, during the 1990s, Turkey permitted U.S. and allied aircraft to operate from Turkey to enforce a protection zone for Iraq's Kurds, a policy that contributed to the development of an autonomous Kurdish enclave in northern Iraq. However, Turkey feared potential chaos in Iraq if the United States invaded Iraq, and it refused to allow U.S. troops to move into Iraq from Turkey during Operation Iraqi Freedom, although it did allow use of its air space and its ports.

Iraq's Kurdish leaders — possibly at odds with mainstream Kurdish opinion — have said that, for now, they would not push for independence. This stance is likely to ease the concerns of Turkey, as well as Syria and Iran, which also have substantial Kurdish populations. Turkey has also shifted toward a less alarmist view of growing Kurdish political strength within Iraq; Turkey views Kurdish participation in Iraqi national politics as a positive indication that many Iraqi Kurds want to keep Iraq whole. Nonetheless, Turkey is opposed to the Iraqi Kurds' taking control of the city of Kirkuk, which might hold about 10% of Iraq's oil reserves and also has a large population of Turkmen, ethnic kinsmen of the Turks. A Kurdish takeover of Kirkuk could give the Kurds enough economic strength to support a drive for outright independence.

Another issue is that of safehaven in Iraq for Turkish Kurdish militants of the Kurdistan Workers Party (PKK). In 2005, PKK violence in Turkey has markedly escalated, with some use of tactics possibly learned in Iraq, such as the use of "improvised explosive devices" (IED's). In June 2005, Turkey's Prime Minister Recep Tayyip Erdogan met with President Bush in Washington, D.C. to request that U.S. forces find and arrest PKK militants that Turkey says are using northern Iraq as a base. Erdogan reportedly did not obtain a U.S. commitment on that issue.[23] Turkey is also attempting to obtain extradition to Turkey of PKK militants held by U.S. forces in Iraq.

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[21] Krane, Jim. "U.S. Officials: Iraq Insurgency Bigger." Associated Press report published in the Philadelphia Inquirer. July 9, 2004; Schmitt, Eric, and Thom Shanker. "Estimates By U.S. See More Rebels With More Funds." *New York Times*, October 22, 2004.

[22] For more information, see CRS Report RL32071. Turkey: Update on Selected Issues. August 12, 2004.

[23] Sammon, Bill. Bush Won't Help Turkey With Kurds. *Washington Times,* June 9, 2005.